

(j) The board of trustees may in its discretion adopt a generally accepted method of writing up the book value of the common stock portion of the assets held by the retirement system, provided that the annual amount of any such write-up shall not exceed 3 per centum of the total book value of the common stocks held as of the determination date of the write-up. One half of the amount of any such write-up shall be offset against the employer contributions otherwise payable hereunder and, notwithstanding any other provision of this article, the other half shall be accumulated in a special account under the Accumulation Fund to be used to provide all or part of the cost of benefit improvements.

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(b) The Contribution Fund shall be established and held separate and apart from any other funds or monies of the State and shall be used and administered exclusively for the purposes of this subtitle. Withdrawals from such funds shall be made for and solely for:

(1) Payment of amounts required to be paid to the secretary of the treasury pursuant to an agreement entered into under § 37; and

(2) Refunds of over-payments not otherwise adjustable made by a political subdivision or instrumentality; and

(3) Investing in short-term [government securities, short-term securities of U.S. government agencies, and short-term notes of corporations with at least a Double A Moody's or Standard and Poors credit rating] CREDIT INSTRUMENTS SUCH AS TREASURY BILLS, COMMERCIAL PAPER, BANKER'S ACCEPTANCES, NEGOTIABLE CERTIFICATES OF DEPOSIT, LOANS TO OR RE-PURCHASE AGREEMENTS WITH GOVERNMENT SECURITIES DEALERS AND PROVIDING THAT ALL THESE INVESTMENTS SHALL BE SUBJECT TO ALL THE TERMS, CONDITIONS, LIMITATIONS AND RESTRICTIONS IMPOSED BY THE LAWS OF MARYLAND ON INVESTMENT OF THE STATE RETIREMENT SYSTEMS.

(4) Payments to expense fund under § 40 (e) of interest earned on investments; and

SECTION 2. AND BE IT FURTHER ENACTED, That new Sections 9 (13) and (14) be and they are hereby added to Article 73B - Pensions, of the Annotated Code of Maryland (1970 Replacement Volume and 1973 Supplement) to read as follows:

Article 73B - Pensions